BRITISH COLUMBIA
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BC Stats

Infoline

Contact: bcstats.infoline@gov.bc.ca *Issue: 08-35* *August 29th, 2008*

- **Labour income in BC rises 1.0% in the second quarter, marginally less than the national increase**
- **Lumber production at BC sawmills slides 28.1% in June**
- **Farm cash receipts rise in first half of year**

The Economy

- **Wages, salaries and benefits received by BC workers rose 1.0% (*seasonally adjusted*) in the second quarter.** Nationally, labour income was up 1.1%, boosted by continued strength in the Prairies, (where second-quarter increases ranged from 1.5% to 1.7%) and Newfoundland (+1.5%). Ontario's increase matched the national average, but other regions did not fare as well. *Data Source: Statistics Canada*

- **The number of British Columbians receiving regular employment insurance (EI) benefits jumped 6.7% (*seasonally adjusted*) in June, to reach 39,670.** Nationally, the number of individuals receiving regular benefits was relatively unchanged (+0.5%) from May. *Data Source: Statistics Canada*

- **Food services and drinking places in the province saw revenues climb (+0.9%, *seasonally adjusted*) in June, building on comparable growth in the previous month (+0.6%).** Drinking places took in slightly less (-0.3%), but food service establishments had a more lucrative month (+1.6%). Sales at Canadian establishments slipped (-0.3%) with revenues down most notably at full service restaurants (-1.0%). *Data Source: Statistics Canada & BC Stats*

- **Sawmills and planing mills in the province produced 28.1% less lumber this June than in the same month last year.** Mills in the Interior slowed their output by 25.5%, while production at coastal mills was down even more substantially (-44.9%). Canadian lumber production tumbled 24.7%, as both BC and Quebec (-15.1%) posted big declines. Year-to-date, BC sawmills have accounted for over half (51%) of the lumber production in Canada. *Data Source: Statistics Canada*

Agriculture

- **Farm cash receipts in BC were stronger (+4.1%, *unadjusted*) during the first six months of this year than in the same period of 2007.** Nationally, receipts were up 10.7%, largely due to increased market receipts (earnings from sales of livestock and crop products), which were driven by rising prices. Receipts from stabilization and other programs (-2.9%) continued to fall. Canadian crop producers, especially grain growers, saw revenues rise sharply, in many cases climbing fifty percent or more. Overall crop receipts were up 30.8%. Livestock operators did not fare as well. Receipts declined 4.3% during the first six months of this year. *Data Source: Statistics Canada*

Radio Broadcasting

- **The 101 private radio broadcasters in BC and the Territories had a particularly profitable year in 2007.** While overall operating expenses rose 6.8%, sales of air time to generate advertising revenue increased 7.6%, well above the Canadian average (+6.0%). Nationally, the greatest profit margins were garnered by English-language radio stations (+21.4%), followed by French-language (+13.8%) and ethnic (+7.9%) stations. Radio stations that operate on the FM radio band enjoyed a substantially higher profit margin (24.0%) than AM stations (4.9%). *Data Source: SC, Catalogue 56-208-XIE*

Tourism

- **Fuelled by increased spending by American tourists (+1.8%, *seasonally adjusted*), Canada's international travel deficit narrowed during the second quarter of 2008.** However, the deficit was still one of the highest on record. Canadians spent approximately $3.2 billion more

Report **Linking Engagement to Productivity in the B.C. Public Service Work Environment**

Did you know...
Three percent of Canadians report having experienced "cart rage" while grocery shopping.
Source: MasterIndex Grocery Report

outside the country than foreigners spent in Canada. American spending helped push total foreign travel receipts up 1.7% to $4.0 billion. Meanwhile, Canadians spent $7.2 billion (+0.5%) away from home. Spending by Canadians south of the border was down slightly (-0.7% to $4.1 billion), but residents travelling abroad spent $3.1 billion, a 2.2% gain over the previous quarter. Canadian travel spending overseas has fallen in just three quarters during the last five years. *Data Source: Statistics Canada*

- **Canadians made 7.2 million overnight trips to the US and overseas between January and March, 17.7% more than in the same months of last year.** Overnight travel to the US surged (+21.5% to 4.5 million trips), marking the fifth consecutive year of first-quarter increases. Florida and New York remained the top US destinations for Canadian travellers.

  More Canadians travelled overseas (+12.0%) in the first quarter of 2008. The most popular overseas destinations for Canadians were Mexico, the Dominican Republic and Cuba. During their travels in overseas countries, Canadians spent a record $3.5 billion in the first quarter of this year. *Data Source: Statistics Canada*

Shift Workers

- **In 2005, approximately 28% (4.1 million) of employed Canadians worked shift work (anything other than a regular daytime schedule, such as night/evening work, split-shifts and casual/on-call jobs).** Most shift workers (82%) worked full time (30 or more hours per week), most commonly with rotating shifts and irregular schedules. While men (57%) comprise a larger proportion of shift workers than women (43%), women are far more likely to have part-time (69%) shift work. Shift workers are significantly more prone to be dissatisfied with their work-life balance than regular day workers and are also more likely to suffer from stress and concern over lack of time spent with family.

  Workers in health care- and transportation-related occupations are far more likely than others to work shifts, as are those in protective-services and the accommodation & food industry. *Data Source: SC, Catalogue 75-001-XIE*

The Nation

- **The Canadian economy inched ahead 0.1% (*seasonally adjusted*) in the second quarter, a marginal improvement over the 0.2% decline recorded at the beginning of the year.** Consumer, business and government demand for goods and services (+0.5%) boosted overall growth, but exports were down (-1.5%) for the fourth quarter in a row. Demand for imported goods and services increased (+0.6%) as did the value of inventories held by businesses and government. However, business investment remained weak (-0.6%), as spending on new residential (-1.0%) and non-residential (-0.4%) structures, as well as machinery & equipment (-0.3%) fell. Government spending on goods and services (+1.3%) and investment in fixed capital (+0.6%) boosted the economy's performance.

  Service industries expanded their production 0.6% in the second quarter, but output in the goods sector slumped (-1.0%), largely due to weakness in energy and manufacturing.
  Data Source: Statistics Canada

- **Canadian manufacturers' prices were 6.8% higher this July than in the same month last year.** This was the fourth consecutive year-over-year rise in the overall Industrial Product Price Index (IPPI). Excluding petroleum & coal, the IPPI would have been up 1.6%. On the other hand, the appreciation of the Canadian dollar tempered producer prices. Excluding the exchange rate effect, producer prices would have risen 7.8% (rather than 6.8%) over the twelve month period.

  BC softwood lumber prices continued to fall (-5.4%) with Interior (-8.8%) producers receiving significantly less for their products than in July of last year, while those at coastal mills received slightly more (+1.8%). Prices for BC pulpwood chips were also down (-0.5%).
  Data Source: Statistics Canada

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For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

Infoline Report

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Originally published in
Business Indicators Issue 08-07

Linking Engagement to Productivity in the B.C. Public Service Work Environment

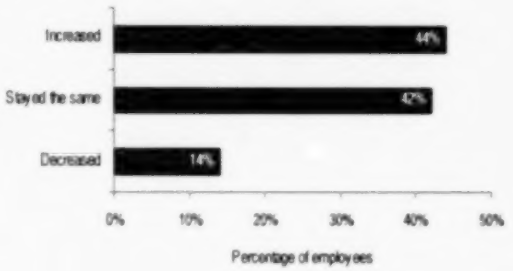
Research in the private sector supports the old business adage that happy employees are productive employees. Following this lead, BC Stats initiated a study on how employee engagement (i.e., satisfaction and commitment) links to productivity in the BC Public Service. A study of this nature is challenging. Productivity in the public sector is difficult, if not impossible to measure directly since service outputs are often intangible in the absence of financial returns. Assembling consistent measures that represent the diversity of outputs provided across the public sector poses a greater challenge. Instead, employees were asked directly about their opinions on productivity to gain more insight on how their engagement as well as certain work environment experiences could be shaping their productivity during regular hours at work.

A random sample of employees who completed the second annual *BC Public Service Work Environment Survey (2007)* participated in an additional special topics survey. Employees were asked to comment on what changes in their productivity had occurred in the past 12 months and factors contributing to their productivity. The questions drew responses from over 1136 employees. A qualitative analysis of their feedback led to some useful revelations about how productivity is defined by public sector employees as well as how their perceptions of productivity relate to their engagement and particular experiences in their work environment.

What does it mean to be productive?

Very few employees believed their productivity decreased over the study period. The majority of employees believed their productivity had either increased or stayed the same.

Two in five employees believed they increased their productivity in 2006-07



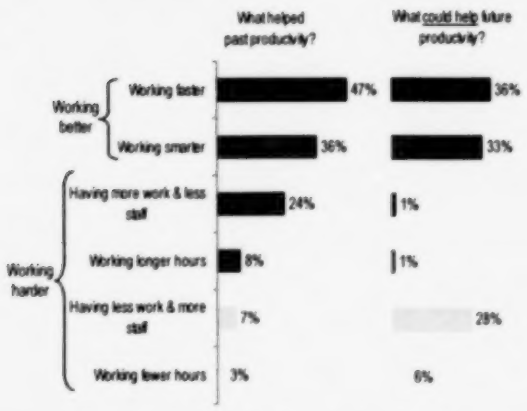
Although more employees reported positive changes in productivity, there was little consensus on what it meant to be productive. When commenting on factors that influence past or future productivity, employees expressed productivity in six different ways.

Two of these ways fell within one view of productivity identified as "working better." For two in three employees, this meant working faster or smarter by becoming more efficient and effective in the completion of their day-to-day tasks. Factors such as *"Greater proficiencies of job duties"* and *"More focussed business plan"* fell under such view of productivity.

The four other expressions fell under an alternative view of productivity identified as "working harder." For one in three employees, working harder meant increasing or

decreasing resources and hours in order to meet workload demands and expectations. For example, one comment falling under this view linked productivity to *"Client demand – as there is not enough regular hours in a day to complete the tasks and workers are going without coffee breaks and lunch hours."*

For some employees productivity meant working better, while for others it meant working harder



N.B: Themes in this figure do not sum to 100% because employees are the primary unit of analysis, and their comments could fall under more than one theme.

These different views mean employees are taking contradictory factors into consideration when assessing their level of productivity. For example, when employees say they are more productive, their assessment could be based on their perception of either completing more tasks during their regular work hours or working longer hours to complete the tasks.

Perceptions of working better are common regardless of whether employees are reflecting on past situations or future actions. Perceptions behind working harder however, are subject to employees' frame of reference. Reflections of past increases in productivity relied on having more work and less staff as well as working longer hours, while future increases in productivity relied on the opposite situation – having less work and more staff. The working-harder view of productivity could be a reaction to workload demands, and such reaction could be interfering with their ability to work better by adopting more proactive behaviours of working smarter and faster.

Certain views of productivity are more common in some public service sectors than others. For example, one in two employees belonging to the economic sector described productivity as working faster, while roughly one in two employees from the social sector described productivity as working harder.

Economic and social sectors showed the greatest distinction in views.

	Percent of Employees in Public Service Sector[1]			
	Economic	Resource	Service	Social
Working better				
Working faster	51%	45%	37%	35%
Working smarter	29%	34%	39%	29%
Working harder	38%	33%	41%	48%
Total number	80	305	75	377

N.B: Themes in this figure do not sum to 100% because employees are the primary unit of analysis, and their comments could fall under more than one theme.

[1]Economic Sector: Ministry of Economic Development, Ministry of Energy, Mines & Petroleum Resources, Ministry of Small Business & Revenue, Ministry of Tourism Sport & the Arts, and Ministry of Finance & Public Affairs Bureau. Resource Sector: Ministry of Environment & Environment Assessment Office, Ministry of Forests & Range (Office of Housing and Construction Standards), Ministry of Agriculture & Lands & Integrated Land Management Bureau, and Ministry of Transportation. Social Sector: Ministry of Aboriginal Relations & Reconciliation, Ministry of Advanced Education, Ministry of Attorney General, Ministry of Children & Family Development, Ministry of Community Services, Ministry of Education, Ministry of Employment & Income Assistance, Ministry of Health, and Ministry of Public Safety & Solicitor General. Service Sector: BC Public Service Agency, Ministry of Labour & Citizens' Services, Premier's Office, and Intergovernmental Relations.

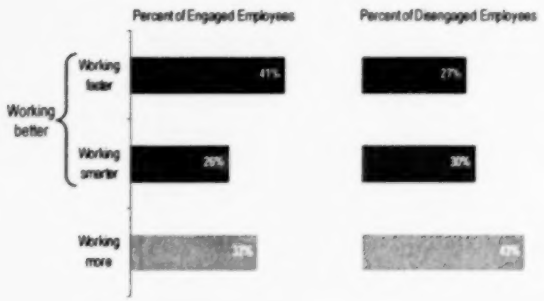
These trends suggest that productivity means different things to different work situations and sectors. Given these findings, it is not enough to simply measure self-reported changes in productivity given the multiple and sometimes contradictory ways public sector employees are viewing their past and future increases in productivity.

How does employee engagement relate to views of productivity?

Engagement is measured in the *BC Public Service Work Environment Survey* as satisfaction with one's job and government organization as well as commitment to the BC Public Service overall (BC Stats, 2007)[2].

Analysis found engaged employees view their productivity differently than disengaged employees. More engaged employees perceived their productivity as working faster, while more disengaged employees perceived their productivity as working harder (41% and 43%, respectively).

Perceptions of working harder were more common among disengaged employees.

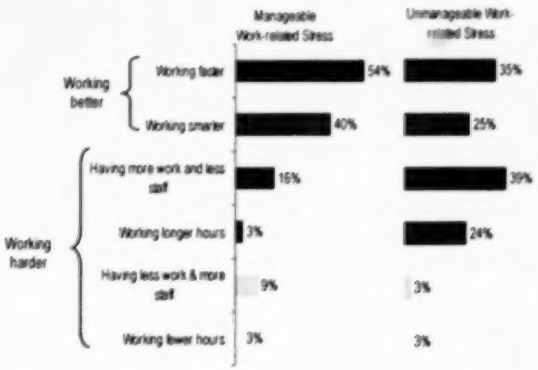


Engaged employees viewed their productivity as getting more done during regular work hours due to the streamlining of processes, improvements to tools and equipment, or on-the-job experiences. Alternatively for disengaged employees, productivity relied on increasing resources or time required to complete their work. Such results imply that addressing these situations may be needed among disengaged employees before any positive changes to working better can occur.

How does work-related stress play into perceptions of productivity?

Specific experiences in employees' work environment could be fuelling these differing views. When employee self reports of work-related stress collected by the *BC Public Service Work Environment Survey* were analyzed alongside perceptions of productivity, clear profiles emerged.[3]

Perceptions of working better were more common for employees who report manageable work-related stress.



Approximately one in two employees who reported having manageable work-related stress attributed their increased productivity to working better. Although employees

[2] BC Stats (2007). Exploring Employee Engagement: The BC Public Service. Report prepared for the BC Government.

[3] Perceptions of work-related stress were measured by the 2007 BC Public Service Work Environment Survey Employees who reported "5" and "4" on the agreement scale were combined to form the "Manageable work-related stress" group, while employees who reported "1" and "2" were combined to form the "Unmanageable work-related stress" group. Themes in this figure do not sum to 100% because employees are the primary unit of analysis, and their comments could fall under more than one theme

with unmanageable work-related stress were more divided in their views, more attributed their increased productivity to the tendency of working harder due to more work and less staff and/or longer hours.

An increase in productivity should relate to less work-related stress, yet this is the case only for those who view productivity as working faster and smarter. As seen in the comments provided by employees below, perceptions of productivity as working harder could serve as a warning signal.

In the words of employees...

"Having more time to do things right the first time instead of always being in a rush to get things done ...proactive instead of reactive."

"We are currently down one staff which has meant a higher workload for everyone, creating more anxiety and stress due to looming deadlines and expectations."

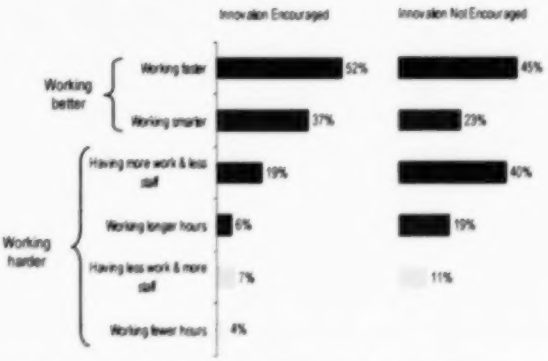
"There are not enough resources— individuals are having to maintain an incredibly high pace on an ongoing basis with no valleys— just peak after peak with real danger of staff burnout."

The more pronounced work-related stress found among those operating under this view could be limiting opportunities for working better, contributing to greater disengagement and burn-out at the expense of employees and their organizations in the long run.

How does experiences with innovation tie into perceptions of productivity?

When comparing how employee experiences in innovation correspond to their perceptions of productivity, a slightly different pattern emerged. Productivity as "working faster" was the most prevalent perception regardless of employees' experiences with innovation. Experiences with innovation influenced other perceptions of productivity, however. More employees who were encouraged to be innovative also attributed their increased productivity to ways of working smarter than those who were not encouraged. On the other hand, those who were not encouraged to be innovative were more likely to refer to their productivity as working harder by due to more work and less staff.

Perceptions of working harder were more common among employees who were not encouraged to be innovative in their work.



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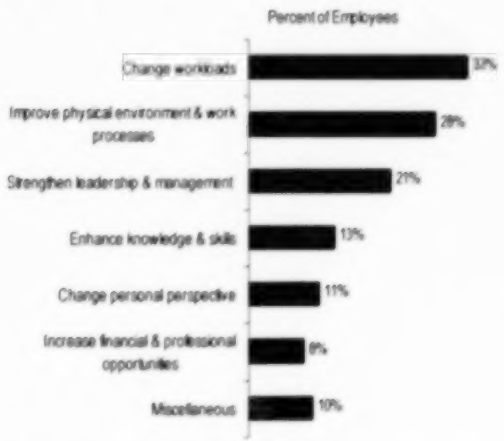
The perceptions of productivity offer important insight when it comes to understanding what productivity means in the public sector and how expressions of productivity are related to work-related stress and experiences with innovation. When employees describe increases of productivity per se, it does not necessarily translate into producing more work during regular work hours by working faster or smarter. It may mean employees are working more per unit of pay through adding more resources and/or time into their daily tasks. As a result, the "working-harder" approach to productivity could be blocking innovative opportunities to working smarter and further perpetuating the cycle of working harder. Moreover, focusing workplace changes around working better may not be enough for employees who read their productivity as working harder. Addressing their misperceptions and/or work environment situations may be required before any positive changes made towards working better can occur.

What would boost future productivity?

Although employee feedback was primarily used to understand how they defined productivity, comments offered a variety of ways to improve future productivity by working better and not harder. Comments distilled down to six key suggestions. Three suggestions focused on work environment changes, while three leaned more towards employee self-development and professional growth

One in three employees believed a change in workload would increase their productivity.



The top suggestion for improving productivity related to reducing workloads. For one in three employees this meant, *"less managers, more staff," "less workload so a person can do a better job," "delegating work to others"* or *"more time to be better organized and do the work properly."* Reducing workloads would halt the cycle of working harder by simply enabling employees the time to work smarter.

The second most common suggestion related to improvements to the physical environment and work processes. For over one in four employees this meant *"streamlining of processes," "fewer interruptions,"* and/or *"utilizing technology to automate certain manual pieces of my job."* Making changes in this manner would enhance employees' ability to work faster.

Strengthening leadership and management was another popular suggestion for boosting productivity. For one in five employees, this meant, *"being involved with decision making," "clear communication of expectations," "better understanding on the part of management as to what I am responsible for,"* or *"better managers/supervisors who can mentor employees effectively."* The state of leadership and management creates the climate of productivity, particularly when it comes to working smarter.

The present findings help to illuminate ways to redirect and build productivity in the BC Public Service while offering insight on how varying views of productivity link to employee engagement, work-related stress and innovation. Although developing a public sector model of productivity is beyond the data currently available, findings provide a tentative, but informative step closer to this goal.

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Email transmission information service from BC Stats

also on the Internet at www.bcstats.gov.bc.ca

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BC at a glance . . .

POPULATION (thousands)	Apr 1/08	% change on one year ago
BC	4,428.4	1.5
Canada	33,223.8	1.1
GDP and INCOME (Revised Apr 28)		
(BC - at market prices)	2007	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	190,214	5.5
GDP *($ 2002 millions)*	163,200	3.1
GDP *($ 2002 per Capita)*	37,258	1.7
Personal Disposable Income *($ 2002 per Capita)*	24,728	3.0
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Jun	3,379	-2.1
Merchandise Exports - Jun	2,895	3.1
Retail Sales - Jun	4,844	1.3
CONSUMER PRICE INDEX	% change on	12-month avg
(all items - Jul 2008)	one year ago	% change
BC	3.3	1.7
Vancouver	3.6	1.9
Victoria	2.9	1.2
Canada	3.4	2.3
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Jul '08	prev. month
Labour Force - BC	2,432	0.0
Employed - BC	2,325	0.1
Unemployed - BC	108	-2.3
		Jun '08
Unemployment Rate - BC *(percent)*	4.4	4.5
Unemployment Rate - Canada *(percent)*	6.1	6.2
INTEREST RATES (percent)	Aug 27/08	Aug 29/07
Prime Business Rate	4.75	6.25
Conventional Mortgages - 1 year	6.65	7.05
- 5 year	6.85	7.24
US-CANADA EXCHANGE RATE	Aug 27/08	Aug 29/07
(avg. noon spot rate) Cdn $ per US $	1.0486	1.0592
(closing rate) US $ per Cdn $	0.9553	0.9430
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Jul '08	one year ago
BC	788.11	5.9
Canada	781.55	3.6

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

Immigration & Diversity Profiles

The WelcomeBC site now features two series of graphic profiles based on the 2006 Census. Over 200 individual documents in each series reveal the characteristics of British Columbia, its regions, and communities.

www.welcomebc.ca/en/growing_your_community/trends/2006/

NEW: RSS enabled for our site

We now have two RSS feeds for our users. One provides updates for just our analytical articles; the other is for everything we do, including the analytical articles, but also announcements, data releases, and publications.

Analytical articles:
www.bcstats.gov.bc.ca/rss/analytical.ashx

Everything:
www.bcstats.gov.bc.ca/rss/everythingnew.ashx

Improved: Article Index on site

Access BC Stats' reports and publications through a searchable database. Searches can be performed by subject, author, publication or date. Link to this page by choosing **Reports & Publications** near the bottom of our left sidebar.

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Released this week by BC Stats

- Business Indicators, August 2008
- Current Statistics, August 2008

Next week

- Tourism Sector Monitor, August 2008
- Quarterly Regional Statistics, 2nd Quarter 2008
- Labour Force Statistics, August 2008
- Earnings & Employment Trends, August 2008

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